



21
Done
(D. Primeni)

A STATE BANKING ASSOCIATION

2006 MAR 29 AM 10 51

March 24, 2006

At home with you.

Mr. John F. Carter
Regional Director
Federal Deposit Insurance Corporation
25 Jessie Street at Ecker Square, Suite 2300
San Francisco, CA 95105

RE: Opposition Comments - FDIC Application #20051977;
Wal-Mart Application for Insurance and Industrial Bank Charter

Dear Mr. Carter:

As you are aware community bankers strongly oppose consolidation of banking and commerce. Especially community bankers that provide much needed banking products to rural America. As such, HCSB is adamantly opposed to the Wal-Mart application to enter the banking business with the benefit of federal deposit insurance through its Industrial Bank application to the FDIC.

You have received letters from Members of Congress and numerous community banking organizations in opposition to granting such a charter to Wal-Mart. I reiterate the points made in such communications:

- The trend toward consolidation of the banking and financial services industry is clear and disturbing. It is our opinion that this seemingly small step into the breakdown of the wall between banking and commerce will only accelerate this trend, and provide fewer and less flexible choices for the American consumer (especially in rural America).
- Such entry (Wal-Mart Bank) due to its economies of scale could make rural bank's in some remote communities difficult to profitably operate; therefore, leaving local businesses to deal with their competitor as their only banker.....Wal-Mart.
- Wal-Mart's ILC application is an attempt to gain more access to the American payments system. This access will be (as I understand it) without the regulation of the Federal Reserve (Wal-Mart's parent company) and could prove to be most dangerous to America's settlement system.

PLAINVIEW
P.O. Box 970
Plainview, Texas 79073
806-293-3635

HART
P.O. Box 300
Hart, Texas 79043
806-938-2111

TULIA
P.O. Box 28
Tulia, Texas 79088
806-295-4151

PLAINVIEW WEST
P.O. Box 970
Plainview, Texas 79073
806-291-8000

KERRVILLE
1145 Junction Highway
Kerrville, Texas 78028
830-896-5000

PLEASE VISIT US AT www.hcsb.com

Mr. John F. Carter

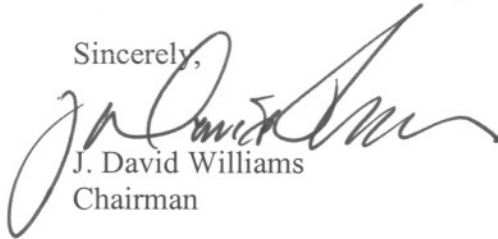
Page 2 of 2

The ILC charter, just like the credit union charter and the savings and loan charter in the 1980's, continues to evolve. We, community bankers, have serious reservations regarding the future intentions of Wal-Mart, and feel strongly that the temptation to enter a full range of banking products and services will be something they likely will not resist. That notwithstanding, control of the payments system, or even a substantial portion thereof, by the world's largest retailer is a significant threat to community banking and our country's payment system.

We trust that if Wal-Mart's application to enter the banking business is approved, history will prove that such was an ill-advised decision.

Your decision is clear. We urge the FDIC to deny Wal-Mart's ILC application.

Sincerely,

A handwritten signature in dark ink, appearing to read "J. David Williams", is written over the typed name and title.

J. David Williams
Chairman